

Port of Kemi's development plans

Ambitious Far North



Photo: Port of Kemi

Sustainability in the northern EU area and North-West Russia can be improved substantially by promoting cargo flows to the EU's northernmost universal port, the Port of Kemi.

Barents Transport Corridor (BTC) runs via Kemi to the Barents area and to the City of Murmansk, Russia. Multinational companies Gazprom, Total and Statoil Hydro will soon start exploiting huge oil and gas deposits in the Barents Sea. This will rapidly expand project cargo and industrial equipment deliveries to the area. Today the BTC route could relieve congestions in St. Petersburg: the Murmansk area with about one million inhabitants is now supplied mainly from the South via the E-18 road of 1,400 kilometres. The modal shift from road to sea via the Port of Kemi would save the environment, time and financial resources. This fact has been studied and documented by a partly EU-funded project.

Today the Port of Kemi supplies transit cargo flows to Norway, Sweden and Finland. Expanding to Russian areas would also balance the vessel traffic – by filling up almost all empty vessels that navigate up to Kemi for loading paper industry products. About 650 vessels call at Kemi each year, all year round. The Port handles about 2.5m tons and 60,000 TEU annually.

The next step in port expansion is exploiting iron ore deposits in Lapland. Intensive negotiations with Northland Resources Inc. (NRI) led to a stock exchange release by the company: NRI made the decision on a transportation route for the production of the first iron ore mine. The Tapuli mine is located in Sweden near the Finnish border. The iron concentrate will be trucked to Finnish railways and further southwards to the Port of Kemi. The annual cargo flow will rise to 3m tons in year 2013. The iron ore is shipped to global markets. Today EU imports major portion (85%) of the ore, but the new mines in Lapland may boost its self-sufficiency rate.

Later on, the NRI company will open other mines. The volume is supposed to increase to 10m tons in export. The Port of Kemi is seriously negotiating these volumes which would require e.g. deepening of the sea channel from 10 m minimum to 13 m. The Finnish Maritime Administration has given positive signals to fulfil this requirement. For up to EUR 150m investments the Port of Kemi needs financing partnerships. Negotiations with operators and investors are ongoing, a memorandum of

understanding has been signed and designers are finalizing port layouts.

Several other mining activities in Lapland have already been visible in import volumes of the Port of Kemi, since machines, equipment and process materials are transported to mining plants. There will be a further rise in project cargo and other import volumes.

All this growing activity in the Far North needs recognition and support from the European Union. The logistics connections and infrastructure support for this arctic area of the EU need to be awarded priority status in the TEN-T network. The Motorways of the Seas should be drawn to Kemi, with an extension via BTC to the Barents area. Only effective infrastructure guarantees the supply of iron and energy from these surprisingly nearby areas on the top of Europe. ■

For more information, please visit:

www.portofkemi.fi

www.barents-transport.fi

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Port of Aabenraa

A bypass for northern Europe

In the south of Denmark, at the picturesque Aabenraa Fjord, lies a deep-water port which may be considered as a basis for advantageous logistic solutions in Northern Europe and the Baltic Sea.

The Port of Aabenraa is an independent municipality, managed on behalf of the City Council of Aabenraa. It is the biggest public port in Sønderjylland and in terms of turnover, one of the larger ports in Denmark. As it is well connected to the public road network, the port may form attractive transportation concepts. It lies just 5 km away from the main national motorway E45, which provides a direct link to Germany. In cooperation with Padborg Transport Centre, it offers combined ship and road transport services of a Pan-European range, for all types of cargoes. There is also a wide selection of other competent transport-related businesses available in the port area.

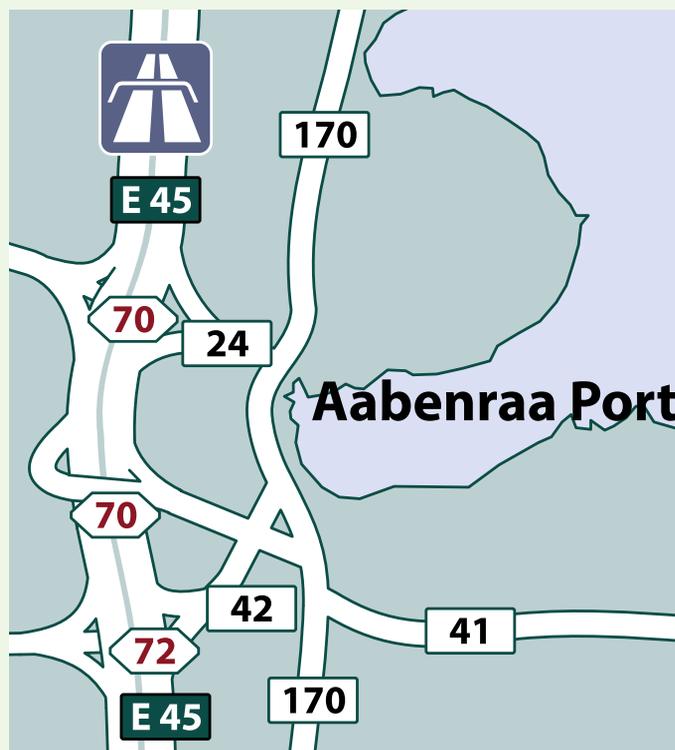
Conditions and facilities

The Aabenraa Fjord provides protection from weather conditions and is an easily navigable route. Ships can access the port via a 11 m deep dredged channel, which is 120 m wide at the narrowest point. The water depths in the port vary from 4 to 11 m. The tide is insignificant to the water level, but strong winds can on occasions raise or lower it by approximately 1 m. The port is well lighted and accessible for navigation regardless of the time. During possible ice-winters appropriate actions are taken to keep the port open. The Port of Aabenraa is composed of three basins and a modern ro-ro terminal. There are also two tanker piers with 6, 8, 10-inch pipes for oil and molasses. The port can accommodate dry cargo ships of a 250 m maximum length and tankers up to 210 m and 60.000 TDW. The Aabenraa Port has three high capacity harbour mobile cranes at its disposal, with the largest being able to handle items up to 100 t. There is also a variety of handling equipment and a shipyard with a floating dock.

Operations and development

The main sorts of cargo processed in the port are liquid products, such as oil and molasses. However, bulk goods present a significant part of the total turnover as well. The port also handles general cargo, iron, wood products and trailers. The turnover volumes were growing steadily until 2007, when they exceeded 2m tons. The following year has, however, witnessed a decrease in the turnover of most commodity groups (apart from agricultural products), which resulted in a fall of 12.4%. Due to the economic slowdown and the tightening of competition, the ro-ro line to Klaipėda had to be closed at the end of the year. Considering the financial crisis, a further fall-off is expected in 2009. These facts did not affect the port's profits for 2008, which reached DKK 12m (EUR 1.6m). According to Niels K. Kristiansen, the Manager of the Aabenraa Port, it is the best result in history and an increase of 13.3%, when compared to the previous year.

As Aabenraa is a public port, its income is mainly used for administration, maintenance of cranes, machines and facilities, depreciation, and payment of interests on the port's debts. Apart from its core operations, the port receives income from leasing land. The spaces in the port area are let



out to port-related companies, and the port has about 300,000 sq. m available for these purposes. It is estimated that the presence of the port creates over 1,300 jobs in the area. Facilities, traffic communications and services are constantly being developed. Almost DKK 6m (EUR 0.8m) was spent on investments in 2008 and the investment plans for this year are to reach DKK 44.6m (EUR 6m).

Although the Port of Aabenraa is rather small when compared to major ports in the Baltic Sea region, its favourable location and good conditions make it an interesting alternative for those who would like to bypass congested logistics centres in Northern Europe.

Port of Aabenraa turnover and profits

	2007	2008
Turnover (in thou. tons)	2,066	1,818
Profits (in thou. DKK)	10,405	12,024
Number of calls	586	572

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